

1-1 By: West S.B. No. 1656  
1-2 (In the Senate - Filed March 13, 2015; March 23, 2015, read  
1-3 first time and referred to Committee on Higher Education;  
1-4 April 7, 2015, reported favorably by the following vote: Yeas 7,  
1-5 Nays 0; April 7, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Seliger	X		
1-9	West	X		
1-10	Bettencourt	X		
1-11	Burton	X		
1-12	Menéndez	X		
1-13	Perry	X		
1-14	Watson	X		

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the administration of the scholarship program for  
1-18 certain students graduating in the top 10 percent of the students'  
1-19 high school graduating class.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Sections [56.483](#), [56.484](#), and [56.486](#), Education  
1-22 Code, are amended to read as follows:

1-23 Sec. 56.483. ADMINISTRATION OF PROGRAM [AWARD OF  
1-24 SCHOLARSHIP]. (a) The coordinating board shall administer the Top  
1-25 10 Percent Scholarship Program established [award scholarships to  
1-26 eligible students] under this subchapter and shall adopt rules as  
1-27 necessary to implement the program at institutions of higher  
1-28 education. The coordinating board shall consult with student  
1-29 financial aid officers at institutions of higher education in  
1-30 developing the rules.

1-31 (b) The total amount of scholarships awarded under this  
1-32 subchapter may not exceed the amount available for the program from  
1-33 legislative appropriations [An institution of higher education  
1-34 shall provide to a student who receives a scholarship under the  
1-35 program for a semester or other academic term.

1-36 [(1) a credit in the amount of the scholarship, to be  
1-37 applied toward the payment of any amount of educational costs  
1-38 charged by the institution for that semester or term; and

1-39 [(2) a check, electronic transfer, or other  
1-40 disbursement of any remaining scholarship amount].

1-41 [(c) An amount paid under Subsection (b)(2) may be applied  
1-42 only to any usual and customary cost incurred by the student to  
1-43 attend the institution of higher education.]

1-44 Sec. 56.484. INITIAL ELIGIBILITY FOR SCHOLARSHIP. To be  
1-45 eligible for a scholarship under this subchapter, a student must:

1-46 (1) have graduated from a public or accredited private  
1-47 high school in this state while ranked in the top 10 percent of the  
1-48 student's graduating class, subject to Section [56.487](#)(b);

1-49 (2) have completed the recommended, [or] advanced, or  
1-50 distinguished high school curriculum established under Section  
1-51 [28.025](#), the distinguished level of achievement under the foundation  
1-52 high school program, or an [its] equivalent curriculum;

1-53 (3) demonstrate financial need as defined by  
1-54 coordinating board rules [have applied for admission as a  
1-55 first-time freshman student for the 2010-2011 academic year or a  
1-56 subsequent academic year to an institution of higher education that  
1-57 has elected to offer admissions for that academic year to  
1-58 applicants as provided by Section [51.803](#)(a-1)];

1-59 (4) unless granted a hardship extension under Section  
1-60 [56.490](#), enroll as a first-time freshman student in an institution  
1-61 of higher education not later than the first fall semester

2-1 following the student's high school graduation and maintain  
 2-2 full-time enrollment through the census date of that fall semester  
 2-3 [not later than the 16th month after the date of the student's high  
 2-4 school graduation];

2-5 (5) ~~[have been awarded a TEXAS grant under Subchapter~~  
 2-6 ~~M for the same semester or other academic term for which the~~  
 2-7 ~~scholarship will be awarded,~~

2-8 [~~(6)~~] be a Texas resident under Section 54.052; and

2-9 (6) [~~(7)~~] comply with any other eligibility  
 2-10 requirements established by coordinating board rule.

2-11 Sec. 56.486. AMOUNT OF SCHOLARSHIP. ~~The [(a) Except as~~  
 2-12 ~~provided by Subsection (b), the]~~ amount of a scholarship for an  
 2-13 academic year ~~[each semester or other academic term]~~ in which an  
 2-14 eligible student is enrolled at an institution of higher education  
 2-15 is an amount determined annually by the coordinating board based on  
 2-16 available funds ~~[sufficient to cover, but not exceed, the amount of~~  
 2-17 ~~tuition charged to the student for that semester or term].~~

2-18 [~~(b) The amount of a scholarship for each semester or other~~  
 2-19 ~~academic term may not exceed the amount of the student's unmet~~  
 2-20 ~~financial need for that semester or term after any other gift aid~~  
 2-21 ~~has been awarded.~~

2-22 [~~(c) The coordinating board shall issue to each eligible~~  
 2-23 ~~student a certificate indicating the amount of the scholarship~~  
 2-24 ~~awarded to the student.]~~

2-25 SECTION 2. Subchapter R, Chapter 56, Education Code, is  
 2-26 amended by adding Section 56.4865 to read as follows:

2-27 Sec. 56.4865. SCHOLARSHIP USE; PAYMENT. (a) A student  
 2-28 receiving a scholarship under the program may use the money to pay  
 2-29 any usual and customary cost of attendance incurred by the student  
 2-30 at an institution of higher education.

2-31 (b) An institution of higher education may disburse all or  
 2-32 part of a scholarship to an eligible student only if the tuition and  
 2-33 required fees incurred by the student at the institution have been  
 2-34 paid.

2-35 SECTION 3. Sections 56.487(a), (b), and (c), Education  
 2-36 Code, are amended to read as follows:

2-37 (a) The coordinating board shall establish application  
 2-38 procedures for the program. ~~[The procedures may require an officer~~  
 2-39 ~~of the applicable high school or school district to verify the~~  
 2-40 ~~eligibility of a student to receive a scholarship under the~~  
 2-41 ~~program.]~~

2-42 (b) An institution of higher education shall obtain the  
 2-43 necessary documentation from the applicable high school or school  
 2-44 district to verify a student's eligibility. An institution of  
 2-45 higher education shall verify a student's ~~[The coordinating board~~  
 2-46 ~~may permit a student to establish]~~ initial eligibility based on the  
 2-47 student's class rank at the end of the student's seventh semester in  
 2-48 high school unless the institution uses a different semester in  
 2-49 determining student eligibility for admission to the institution.  
 2-50 ~~[The board may revoke an initial scholarship awarded to a student~~  
 2-51 ~~who subsequently loses eligibility based on the student's class~~  
 2-52 ~~rank on graduation from high school.]~~

2-53 (c) An institution of higher education ~~[The coordinating~~  
 2-54 ~~board]~~ may consider applications received after the uniform  
 2-55 priority [application] deadline prescribed by the coordinating  
 2-56 board under Section 56.008 only if sufficient funding for  
 2-57 scholarships remains after the institution ~~[board]~~ awards  
 2-58 scholarships to all eligible students who applied on or before the  
 2-59 deadline.

2-60 SECTION 4. Sections 56.488, 56.489, 56.490, and 56.492,  
 2-61 Education Code, are amended to read as follows:

2-62 Sec. 56.488. CONTINUING ELIGIBILITY FOR SCHOLARSHIP.

2-63 (a) After establishing eligibility to receive an initial  
 2-64 scholarship under the program, a student may qualify for a renewal  
 2-65 scholarship award in a ~~[continue to receive additional scholarships~~  
 2-66 ~~during each]~~ subsequent ~~[semester or other]~~ academic year ~~[term]~~ in  
 2-67 which the student is enrolled at an institution of higher education  
 2-68 if the student:

2-69 (1) makes satisfactory academic progress as required

3-1 by Section 56.489;

3-2 (2) submits to the institution transcripts for any  
3-3 coursework completed at other public or private institutions of  
3-4 higher education; and

3-5 (3) ~~[has been awarded a TEXAS grant under Subchapter M~~  
3-6 ~~for the same semester or other academic term for which the~~  
3-7 ~~scholarship will be awarded; and~~

3-8 ~~[(4)]~~ complies with any other eligibility  
3-9 requirements established by coordinating board rule.

3-10 (b) If a student fails to meet any of the requirements of  
3-11 Subsection (a) as of the end of an academic year ~~[after completing a~~  
3-12 ~~semester or other academic term]~~, the student may not receive a  
3-13 scholarship during the next ~~[semester or other]~~ academic year  
3-14 ~~[term]~~ in which the student enrolls. A student may become eligible  
3-15 to receive a scholarship in a subsequent academic year ~~[semester or~~  
3-16 ~~term]~~ if the student:

3-17 (1) completes an academic year ~~[a semester or term]~~  
3-18 during which the student is not eligible for a scholarship; and

3-19 (2) meets all the requirements of Subsection (a).

3-20 (c) Except as provided by Section 56.490(b), a student's  
3-21 eligibility for a scholarship under the program ends on the fourth  
3-22 anniversary of the first day of the semester or other academic term  
3-23 for which the student was awarded an initial scholarship under the  
3-24 program.

3-25 Sec. 56.489. SATISFACTORY ACADEMIC PROGRESS. A ~~[For each~~  
3-26 ~~academic year in which a]~~ student initially awarded a scholarship  
3-27 under this subchapter in an academic year makes satisfactory  
3-28 academic progress in a subsequent academic year for purposes of  
3-29 this subchapter only if ~~[receives one or more scholarships under~~  
3-30 ~~the program,]~~ the student [must]:

3-31 (1) completes ~~[complete]~~ for that year ~~[+~~

3-32 ~~[(A) at least 75 percent of all credit hours~~  
3-33 ~~attempted, as determined by the institution of higher education in~~  
3-34 ~~which the student is enrolled; and~~

3-35 ~~[(B) at least 30 credit hours or the number of~~  
3-36 ~~credit hours needed to complete the student's degree or certificate~~  
3-37 ~~program, whichever is less; and~~

3-38 (2) maintains ~~[maintain]~~ an overall grade point  
3-39 average of at least 3.25 on a four-point scale or its equivalent for  
3-40 all coursework attempted at any public or private institution of  
3-41 higher education.

3-42 Sec. 56.490. EXCEPTION FOR HARDSHIP OR OTHER GOOD CAUSE.

3-43 (a) Each institution of higher education shall adopt a policy to  
3-44 allow a student who fails to enroll as a first-time freshman student  
3-45 at an institution of higher education within the period prescribed  
3-46 by Section 56.484(4) or who fails to make satisfactory academic  
3-47 progress as required by Section 56.489 to receive a scholarship in a  
3-48 subsequent semester or other academic term on a showing of hardship  
3-49 or other good cause, including:

3-50 (1) a showing of a severe illness or other  
3-51 debilitating condition that could affect the student's academic  
3-52 performance;

3-53 (2) an indication that the student is responsible for  
3-54 the care of a sick, injured, or needy person and that the student's  
3-55 provision of care could affect the student's academic performance;  
3-56 or

3-57 (3) any other cause considered acceptable by the  
3-58 coordinating board.

3-59 (b) An institution of higher education may extend the  
3-60 eligibility period described by Section 56.488(c) in the event of  
3-61 hardship or other good cause as provided by the institution's  
3-62 policy adopted under Subsection (a), except that the institution  
3-63 may not extend a student's eligibility beyond four annual  
3-64 scholarship awards or for less than full-time enrollment.

3-65 (c) An institution of higher education shall maintain  
3-66 documentation of each exception granted to a student under this  
3-67 section ~~[and shall provide timely notice of those exceptions to the~~  
3-68 ~~coordinating board].~~

3-69 Sec. 56.492. DISBURSEMENTS ~~[REIMBURSEMENT]~~. (a) Each

4-1 institution of higher education that provides scholarships under  
4-2 the program to eligible students enrolled at the institution shall  
4-3 receive, in accordance with coordinating board rules, a share of  
4-4 the funds appropriated for the program [~~is entitled to~~  
4-5 ~~reimbursement by the coordinating board of the amounts provided.~~  
4-6 ~~The institution must request reimbursement in the manner specified~~  
4-7 ~~by coordinating board rule].~~

4-8 (b) On approval of an institution's request for funds  
4-9 [~~reimbursement~~], the coordinating board shall direct the  
4-10 comptroller to transfer the appropriate amount to the institution.  
4-11 The institution may use the transferred funds as reimbursement for  
4-12 any credits provided to students under this subchapter, to  
4-13 reimburse students for charges previously paid to the institution,  
4-14 or to make scholarship payments to students, as applicable.

4-15 SECTION 5. Sections 56.485 and 56.487(d), Education Code,  
4-16 are repealed.

4-17 SECTION 6. The changes in law made by this Act to Subchapter  
4-18 R, Chapter 56, Education Code, apply beginning with scholarships  
4-19 awarded under that subchapter for the 2015-2016 academic year.

4-20 SECTION 7. This Act takes effect immediately if it receives  
4-21 a vote of two-thirds of all the members elected to each house, as  
4-22 provided by Section 39, Article III, Texas Constitution. If this  
4-23 Act does not receive the vote necessary for immediate effect, this  
4-24 Act takes effect September 1, 2015.

4-25

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